

SYMBOL: NPST
ISIN: INE0FFK01017

Date: October 25, 2024

To,
The Manager-Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, NSE Building, Bandra Kurla
Complex, Bandra East, Mumbai-400 0513
Fax: 022-26598237, 022-26598238

Subject: Transcript of the Earnings Conference Call of Analyst/Investor for quarter ended September 30, 2024.

Respected Sir/Madam,

Pursuant to the provision of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the transcript of the earnings conference call of Analyst/Investors for quarter ended September 30, 2024.

The same will also be available on the website of the Company.

Kindly take the same on your record.

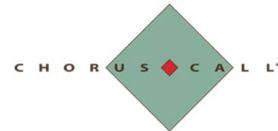
Thanking You,
Yours Faithfully,
For Network People Services Technologies Limited

Chetna Chawla
Company Secretary and Compliance Officer



“Network People Services Technologies Limited
Q2 FY’25 Results Conference Call”

October 21, 2024



MANAGEMENT: **MR. DEEPAK THAKUR – CHAIRMAN AND MANAGING
DIRECTOR – NETWORK PEOPLE SERVICES
TECHNOLOGIES LIMITED**
**MR. ASHISH AGGARWAL – JOINT MANAGING
DIRECTOR – NETWORK PEOPLE SERVICES
TECHNOLOGIES LIMITED**
**MS. SAVITA VASHIST – EXECUTIVE DIRECTOR –
NETWORK PEOPLE SERVICES TECHNOLOGIES
LIMITED**

MODERATOR: **MS. VAISHNAVI AMBOKAR – KIRIN ADVISORS**



Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY25 Results Conference Call of NPST Limited hosted by Kirin Advisors. As a reminder, all participants' line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Vaishnavi Ambokar from Kirin Advisors. Thank you and over to you, ma'am.

Vaishnavi Ambokar: Thank you, ma'am. On behalf of Kirin Advisors, I would like to extend a warm welcome to everyone attending the NPST Limited Q2 FY25 Conference Call. We are pleased to have with us today NPST's senior management team, Mr. Deepak Chand Thakur, Chairman and Managing Director, Mr. Ashish Aggarwal, Joint Managing Director and Ms. Savita Vasisht, Executive Director.

The call is scheduled to run for approximately 40 to 50 minutes. To ensure that everyone has a chance to engage, we kindly request that each participant limit their question to two. This will allow the management team to address as many inquiries as possible within the given time.

If we are unable to answer any questions during the call, please don't hesitate to reach out to us at info.kirinadvisors.com. We will gladly coordinate with the management team to arrange for the discussion. We greatly appreciate your understanding and cooperation, and we look forward to a productive and engaging session.

With that, now I hand over the call to Mr. Deepak Chand Thakur. Over to you, sir.

Deepak Thakur: Hi Vaishnavi. Thank you so much and thank you everyone for joining today's call. Before we begin this con-call, I just want to take a liberty of using just two minutes, not more, to talk something which is not very specific to NPST, but very important for us.

On 10th January 2008, there was this great vision which came out in India, and there was a very strong statement that came out with the vision was, promise is a promise and that is what came from Sir Ratan Tata. I think that was one of the keys, or I would say, one of the most important days in the life of entrepreneurs like us, who realize what a vision can be and how it can shape up the future destiny. So, we lost a great mind, we lost a great visionary, but ultimately what he did and what he built for people like us, will always stay with us.

And you know, today I would like to take this time to really thank him and the entire Tata Group for setting up such a great example for someone like us to really look forward and build the future and a global aspiration. Thank you so much for giving me that time, everyone.

Well, back to NPST. Well, you know, although everyone knows about our business by now, I would like to take a few minutes first to very quickly stumble upon what exactly we have been doing for past, you know, several years -- a couple of years now. You all know that we have built this entire payment business on the real-time payment technology that we are providing to banks. So, for everyone to know, we are a technology partner to bank where we provide payment solutions where they can transact, operate seamlessly.



Today, we do about 15 billion transactions every year and contribute about 7% to 8% of the total transaction processed in the country or even more. About 15 banks or who ride on our platform. If you understand the processing engine, this is where the decision around debit, credit and processing certain transactions are taken. We sit inside bank when it comes to processing these transactions in the digital payment ecosystem. Products like mobile banking, IMPS, UPI, online dispute resolution, Bharat Bill payment, these are the solutions we provide on our platform -- on our -- you know, technology stack.

Furthermore, when you move up the value chain, what we do is, we have built a payment platform to find the gap in the industry, wherein wherever there is a merchant acquiring requirement, an end-to-end merchant lifecycle on our platform is provided to the banking ecosystem, which can further be an intake for fintech and payment aggregators and the merchants to operate seamlessly and consume payment services from the banks. And that is what is called a payment platform as a service business for us.

Now, these are two major core factors of our business on our, you know, in the P&L that we bring it. At the same time, being innovative, we work relentlessly, and we work on a very, very quick pace, so that we keep on adding more and more product stacks.

So, the shape of the organization that you may see in the beginning of the year, by the end of the year, it may completely change depending on the kind of products we have launched, the kind of services we have, and at the same time, the kind of approach we have for a particular business. So, all of that, being an innovative and disruptive segment, we continue to do so. So, for you, very quickly on a business update, we secured Bharat Bill payment aggregation switch from two banks.

And right now, it is in an operationalization stage, that's the quick update for the last quarter. We also secured one more order for the online dispute resolution from one of the banks. Meanwhile, the offline payment stack, which we launched, again, payment platform as a service for the offline business, which is QR, Soundbox, mobile apps, all those features.

That business has got an incremental order coming from the existing set of customers we have from the existing banks. We have seen about 20% growth in transaction processing on our platform in this particular financial year. So, we are seeing that it will be more than 15 billion transactions that we will be processing.

We have launched multiple new products this Global FinTech Fest. We have taken about three to four months of product and tech R&D budget to spend on this particular event to ensure that we showcase what exactly we deliver. So, in Global FinTech Fest, we have launched instant credit line on UPI, which is, if you are tracking UPI, you know that credit line on UPI is the next big thing, which comes with a strong MDR opportunity and strong revenue opportunity for banks as it builds their asset.

On the other hand, with all the learning that we have in our transaction business, we have launched Risk Intelligence Decisioning Platform, which exactly profiles the risk of a merchant



and the transaction and gives the flag in the system. So, we have already launched one phase of that. We have initiated a payout POC under the guidance of one of the banks.

We have added two banks. Now, that's the urge of, overall business that we had to add multiple banks in the ecosystem for the payment platform that we are providing. And let me tell you, we have successfully done that.

We have also added FRM as part of the delivery that we will be doing on our platform. So, FRM is something that we have just recently added. So, these are very quick business updates for you guys. At the same time, for you all to know, the good news is that, you know, we have been consistently working on taking our company to main board. And for that, there was one criterion which was left. By this half yearly result, we have been able to complete that criterion as well.

And as soon as that was achieved and we saw that this is happening, first thing we did was went to the main board and we got the unanimous backing from them to go to the main board. And we decided to do that both in NSE as well as BSE. I'm very happy that employees are now getting what they have, they have invested in the organization in terms of their time, sweat, efforts.

And ESOP has been granted as a first lot, which was released in 2023. So, the approval has already been done. We launched EvoK 3.0, which is like complete upgrade of the platform that we have. And most importantly, although it was not there in last quarter, now that is why we call payment as a disruptive segment.

In April, when the announcement around interoperability of internet banking is a need of the hour for the industry, when that was announced by the regulator, we were closely following it up. And finally, we have ventured into internet banking and mobile banking interoperability solution, where we are looking at a UPI kind of movement in internet banking and mobile banking, where the interoperability, which never existed, will now be due to the system that is being built right now.

And we have ventured into it. We have partnered on that. And we are working with, I mean, can't release the names now, but yes, a few banks that we are already talking to. So that's, again, on the business update. When it comes to numbers for you all, happy to share that the growth trend continues.

From half yearly FY '24, INR53.32 crores, what we achieved as a total income. We have gone up to about INR129 crores, which is about 142%. EBITDA, you have already seen, has gone up from 32.65% to 36.75%. Our net profit margin has gone from 19% to about 26.13%, which is, again, 708 basis points. Congratulations, your EPS has gone up from 5.25 to about 17.42.

Now, really a good number for all those who have trusted us. At the same time, quarter-on-quarter numbers are also heartening because it's about 14.75% jump in revenue. Your EBITDA, again, has gone up from INR22.15 crores to about INR25.35 crores. And at the same time, your net profit has gone up from INR15.60 crores to INR18.16 crores.



Well, that's all from the number. I think I've taken a good time now. But I'll straight away come to you guys. And if you have queries, questions, I would like to take it up. Thank you, Vaishnavi.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Rohit, Nvest Analytics Advisory LLP. Please go ahead, sir.

Rohit: Congrats for a good set of numbers, sir. Can you share the revenue growth guidance for FY'26? Are we aiming to sustain the current growth guidance for FY'26? Or is the company targeting high growth guidance level?

Deepak Thakur: Well, I have already given my growth guidance in the beginning of the year. That is what we have been aiming. Doubling our numbers is what we always wanted to do so. And I think that is what we are doing right now.

Rohit: So, in terms of percentage growth?

Deepak Thakur: So, we have already said between 75% to 100% for the entire year.

Rohit: Is it also for next year?

Deepak Thakur: No, next year, I better give that guidance by March. Because, you know, like I said that when we -- from the time we begin a year till the end, there are a lot of changes and a lot of opportunities we don't anticipate initially.

Like when I say interoperability in Internet banking, that's not something which was even there in our, you know, commitment or guidance in the beginning of the year when I spoke to investors, but that has come right now. So, it is only good to have the guidance coming in at the right time.

Rohit: Okay, understood, sir. And my next question is the company has a strong domestic growth. Is there any immediate plan for international expansion? And if so, what market are you targeting first? And what are the biggest challenges you are seeing in scaling globally?

Deepak Thakur: Well, let me be honest. This question is coming to us every quarter. And we keep on saying that we have been assessing it very strongly. There's a good progress. And I have always said that it is two years horizon. We don't want to jump because as soon as we do so, we want to be committed to numbers as well.

We want to be committed to the revenue as well, just not go there and, you know, scratch the surface. So, we have already assessed the market, which looks somewhere around Africa, Middle East and, you know, Asia. So, these are the areas which we have assessed based on the product and the portfolio that we are seeing. However, there is a good conversation around UK-like structure coming globally. In multiple countries, the discussions are going on. So, we are in close -- I mean, we are seeing that very closely.

If the opportunity goes beyond these regions, which I mentioned, we'll be happy to go there. But establishing an office beyond domestic market, that's what I think you'll have to wait for maybe a couple of quarters more.



- Moderator:** The next question is from the line of Parikshit Kabra from Pkeday Advisors Limited. Please go ahead, sir.
- Parikshit Kabra:** Congratulations on a great set of numbers once again. So just a couple of questions that I ask every time. First is the TPAP versus TSP split, if you can share.
- Deepak Thakur:** So, one second, the TSP is somewhere around 18% to 20% odd and the rest is the platforms.
- Parikshit Kabra:** Got it. And the GTV this time around?
- Deepak Thakur:** Ashish, can you recount that number?
- Ashish Aggarwal:** I think, Parikshit, this time GTV, GMV is somewhere about the same that we have achieved in last year, something about 10,000k, if I'm not wrong.
- Parikshit Kabra:** Got it. Perfect. So now the process of adding, you've given so many updates this time around, Deepak, that it's actually, there are too many questions to catch, so I'm just going to try and prioritize a couple. The first one is that, has the transition from 2.0 to 3.0 now complete? Or is this still an ongoing process, still under operationalization, etcetera, etcetera.
- Deepak Thakur:** So, in fact, coincidentally, last week, we went into closed user group testing with a new bank of EvoK 3.0. And it's a production testing, by the way, it's not UAT. So, I would say that it is already live. However, we would like to see another 15 days what feedback we receive from bank around that. But it's all signed off, and it has gone live.
- Parikshit Kabra:** Perfect. And you mentioned that you were in the process of adding more sponsor banks. And you gave an update this time around that you have done that. So, I just want to clarify that. So, have we added one more sponsor bank? And has it gone live? Or what is the exact number?
- Management:** So, we added two sponsor banks, not just one. Looking at the last quarter, as soon as we realized that how quickly we'll have to get into this decision meticulously, we fast tracked it, we pushed all our focus on adding more banks. The vision is to add 10 banks. Earlier, we were just thinking about two, three. So, we have already been able to crack two. And one is already in the production CUG, the other one is in the pre-production stage. So yes, that's the status.
- Parikshit Kabra:** What would be the timeline for these to go fully in a commercialized manner?
- Deepak Thakur:** I would say that by this month end, or I would say somewhere in mid-November, we should be able to complete all the pooling period we have, when we take the platform live. So yeah, somewhere in mid-November, we should have it fully commercialized.
- Parikshit Kabra:** Got it. All right. Perfect. I'll get back in the queue. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Akshay from CD Integrated Service Limited. Please go ahead, sir.
- Akshay:** Yes, sir. I just want to ask the two questions. The first is on our competitive edge. So, what competitive edge do we have when compared to the other big tech companies like Paytm and



PhonePe and all these things? Do they provide the same kind of solutions like we do provide, sir?

Deepak Thakur:

So whatever names you took, it can be our customer, not our competitor. If you understand, we are behind these companies who are directly into acquisition, who are acquiring either merchants or who are acquiring the customers. We provide the platform or the technology for them to operate seamlessly and acquire this business.

So, they can be our customer. When it comes to going back to your question, competitive edge, please understand that in last three years, we have evolved from being on the platform business. We have evolved from being purely a technology delivery company to also creating operational excellence and at the same time also building the compliance and the regulatory text that such companies require to operate in this space.

So, while the other companies would be in a version wherein, they are still building the platform, we are actually building regulatory requirements, compliance requirements, operational excellency. All of those pieces are added to our stack right now. That is what is Evoke 3.0. So that's the edge.

Akshay:

Thank you for the answer. And the second question is that apart from Canara Bank, which larger commercial banks do we have as a client? Like I would like to say that the Canara Bank super app is very great. I am one of the users of that. And apart from that, for which bank are you developing that type of app, super app?

Deepak Thakur:

So, we have already got an order for two more banks. This quarter they will go live, which is Kerala Gramin Bank and Karnataka Gramin Bank. And one more bank is in progress, but that's at the final stage right now.

That's related to app. But when it comes to customers, around all the products which I mentioned in the beginning of the call, we have Bank of Maharashtra, we have State Bank of Mauritius India, we have Tamil Nadu Mercantile Bank, we have Karnataka Bank, we have Kerala Gramin Karnataka Gramin, we have DCB. So, we have 15 plus banks right now who are using our services.

Akshay:

Okay, understood, sir. But I just want to understand that the Canara Bank, which is one of our clients. So, at which other banks are operating at that type of scale, that level of scale? Do we have any larger customers like that?

Deepak Thakur:

So honestly, if you compare the scale of Canara Bank, it has taken 10 years. So, it would be wrong to say that such a scale can come that quickly. We initially started with just a GPRS-based mobile banking solution, migrating SMS to GPRS somewhere in 2015, mid-2015 odd.

From there, then there was IMPS, which is a full-blown solution across all channels, including FIR, Foreign Input Remittance, then UPI, then Merchant Acquiring, then SuperApp. So, comparing Canara Bank with others will not be easy. So, every single bank contributes to the stack that we have right now. So other banks will take time to evolve that much.



- Akshay:** Right, right. Understood, sir. So, what is my understanding is that we first try to sell our one product, and then we will cross-sell our other products. Thank you for the answer, sir.
- Moderator:** Thank you. The next question is from the line of Senthil Kumar from Sincere Syndication. Please go ahead, sir.
- Senthil Kumar:** Congratulations on a good set of numbers. I joined a little late because I was not able to log in. One thing which I want to know, what were the road triggers that drove this sort of exponential numbers? And what are the growth triggers that are available to us in the future for the coming year, for the guidance? Could you just take me through on that, sir?
- Deepak Thakur:** Sure. So, if you want to understand the trigger, I always say that what is that we are adding to the platform is very important because as and when we scale our platform, as and when we add new products, the revenue sources increase. So, I'll give you an example. We initially started doing the like payment. Okay. Last quarter or quarter-on-quarter, the growth that we are having is majorly because the consistent growth of the transactions of the industry based on the acquisitions that we have got for our banks in the acquiring space.
- Ad then at the same time, the products that we have been delivering. So, it has grown considerably over a period of time. So, when it comes to TSP business, there is a continuous change request coming in. There is a new product being sold to new banks. March 2023, we were seven banks. Now we are about 15, in fact, 16 banks on. So, the number of banks have also doubled.
- And when it comes to platform, when it comes to merchant space, when it comes to providing platform, initially, it was just a simple payment solution. But later on, we kept on adding stickiness to the platform. Today, we are evaluating the revenue sources that we can generate from the regulatory tech product that we have launched on the platform. So that can also add basis points to the revenue that we are adding.
- So how we calculate is either it is additional business per platform, or it is revenue per account. So, on both the areas, we target the growth. So, in future, what you should be doing is you should be looking at multiple banks. So, when we announce the partnership with multiple banks, that's in public. So, you can see that, what are the new banks that we are adding. And what kind of products that we are adding.
- So, there you will come to know how we are scaling it up. Like I mentioned about two banks right now, you will get the news as and when we progress further.
- Senthil Kumar:** From a client mining perspective, with the existing banks, how much could have been a volume led our product like any breakup broadly you can give us?
- Deepak Thakur:** I think Ashish has given the volume just now around the platform business. And when it comes to banks, I would say that we are processing about 15 billion financial transactions on a platform, which is about 8% of the total UPI volume in the country, 7% to 8% or maybe. And when it comes to the merchant count serviced on our platform by our banks, that is as high as 2 million merchants, maybe 2.5 million merchants.

And when it comes to the product stack, I would say there are about seven to eight products spread across the ecosystem. So, it's horizontal and vertical both.

Senthil Kumar: How much incremental banks are in pipe and how much product suites are in line this quarter?

Deepak Thakur: That depends on the funnel. Let's not anticipate that right now.

Senthil Kumar: One last question from my side. Any management changes?

Moderator: Sorry to interrupt. We request you to kindly re-join the queue for follow-up questions.

Senthil Kumar: Not an issue. Only one last question from my side. One, Mr. Deepak Chand has joined as Chairman and Managing Director...

Deepak Thakur: That's me.

Senthil Kumar: Okay, fine.

Deepak Thakur: That was me. And by rotation -- by policy, it was to be reappointed. That is what it was.

Senthil Kumar: Okay. And when is the mainboard listing likely, sir?

Deepak Thakur: We got the approval from board as per the process. I don't know. It may take a couple of months, maybe.

Parikshit Kabra: Maybe I think a couple of months. There is a process time. So, we have already opened our postal ballot. So, it will be closed by within the next 30 days. Then we'll go for main boarding.

Moderator: I request to all the participants to limit the questions, two per participant. The next question is from the line of Bhuvan from Tiger Assets.

Bhuvan: Congrats on the good set of numbers. Most of my questions have been answered. Just a couple of questions. When it comes to payment features, I would like to know how banks pay you. Is it transaction value basis or per transaction? Or is it a fixed cost? Or how is it?

Deepak Thakur: So multiple models. One is there is a license -- if it is a very big account, then the affordability and opex model or SAS model is not possible. So, there it is license-based model. So, within license-based model, there are multiple revenue sources. It can be license plus AMC, then per man day invested, then per man month of the support. So that is how you get paid. So, we get paid per man days for development, we get paid per man month of the support and then license and AMC.

When it comes to SaaS based model, few banks pay us on per transaction. Few banks pay us on revenue sharing model. And then there is also a subscription-based model very clearly. So, our platform utilized by the merchants, there every month there is a fixed revenue per merchant that banks pay us a cost, not revenue cost per merchant that banks pay us. So, SaaS based model also differs from the account to account.



- Bhuvan:** Okay, so another question is because MDR is charged on credit UPI transactions. So, can we expect higher realizations on that from banks?
- Deepak Thakur:** So, for now, credit card and credit line is being looped up by bank very strongly to add to the revenue sources. If that happens, for sure, we will also get some share out of it wherever we have SaaS based model. Assumption that this goes really well in the market. So, if these products grow, for sure that creates an opportunity for companies like us.
- Bhuvan:** Okay, so presently credit card UPI transactions are being supported, right? So how much percent of your revenue is coming from credit transactions? Sorry, it's a follow up question.
- Deepak Thakur:** Yes, I will answer that question. Yes, so right now, revenue is way too less. I mean, I don't have the split for that right now. We don't even calculate that revenue because the numbers are very, very less. So, for now, let us not count that as a split. That's that the volume is very less. We don't have the split.
- Moderator:** Thank you, sir. The next question is from the line of Keshav from Niveshaay. Please go ahead.
- Keshav:** Yes, thanks for the opportunity and congrats for the good sets of number. So, I just wanted an update like last time you mentioned about embedded finance. So, is there any update on that project?
- Deepak Thakur:** Yes, so embedded payments is something that we have invested for last one year right now. And this is more like an IoT technology where any device which is connected over the Internet should also have the ability to pay itself for the payment generated towards the use of that particular device. Now, that's where we have worked.
- But I cannot share further information on it because we are yet to receive a lot of, go ahead around this particular product. So that's we being a technology partner, we have done our part. We're just waiting for the go ahead in multiple directions.
- Keshav:** Thank you so much.
- Moderator:** The next question is from the line of Rajesh Jain from RK Capital. Please go ahead, sir.
- Rajesh Jain:** Yes, sir. Good evening and congrats on superlative performance and on migrating to mainboard. So, sir in your recent exchange filing on 19 September, you mentioned about some policy upgrades for EvoK 2.0 and some short-term impact too. So, could you just elaborate on that? Like what policy changes you have done and in what way and to what extent do you anticipate short term impact?
- Deepak Thakur:** So, we are live for last three years now. And when we were scaling our EvoK 1.0 to EvoK 3.0, we scale the entire technology operations, compliances, policies and program structure that we have in our platform. However, from the bank side, also similar upgrades were expected.
- These upgrades are specific to the technology audit, the operational audit, the risk propositions and the compliances built in the banking ecosystem. This is that these policies are to be applied.

And for that, I believe that the overall impact would be on the business which is around the payment platform.

And that is specific to a bank. It is not specific to us, or it is not very specific to multiple banks that we are having. So those are the changes we have applied. It will definitely have an impact of about, let's say, three to four months for one specific bank. And then that's why when we bring multi-bank partner model, this is where the overall change of the migration happens, where one particular bank is in the closed user group testing, the other bank is in pre-production stage. So, what will happen is in going forward, the first one will go through the entire policy upgrade, entire compliances and the operational upgrades.

On the other hand, the other two banks will also go live. Plus, the new product will also get launched. So that's how the overall system works. Because it had an impact on our payment platform, we found it imperative to share that information with our shareholders.

Rajesh Jain:

So that's great. I mean, this transparency is always welcome. That's great to know. So, you had given 75% to 100% guidance for FY25. So, was it for revenue or for PAT? And if it was for revenue, then how much could be the PAT growth? And given that you have done so stupendously in H1, could H2 be slightly lower than H1? Very slightly, because not only because of the large base of H1, but also because of the short-term impact, would it be lower than, could H2 be lower than H1?

Deepak Thakur:

So, I think there are four or five questions in one row. I hope I'll catch each of them. So first one, the guidance was for the revenue, but at the same time everyone who are connected to our, I mean, those who have invested for quite long they know that we have a very nonlinear model of growth. So that's why when we grow, we grow when we give the guidance around revenue. We ensure that our guidance around PAT or EBITDA that follows the growth pattern of the revenue.

So, if you - that's why when you hear my call, you will come to know that I'm not always talking about revenue. I'm also talking about the growth in EBITDA and growth in PAT. So that is in accordance with the revenue guidance which we are giving to the - for the entire year. Secondly, the growth that we expected, I mean, it's a good moment for us that we did not anticipate this big jump in the H1 itself.

So, when we gave our guidance for the entire year was based on certain funnel and certain growth projections that we had within the organization. Our team has really worked well to ensure that we have been able to do even better than what we have guided. Going forward, we - even if we want to revamp our growth guidance, we have to relook at all the possibilities around the changes happening in the landscape.

Right from the policy changes which we shared in September, how it is going to impact one particular account which has a revenue impact on the platform plus two more banks which is getting added, how it absorbs those impact. Third, the new products which are getting launched, how it is going to contribute to those particular, to the revenue sources that we are bringing in. Fourth, when we upgrade the platform, what are the new revenue channels that we are able to open up.

So, all that is at such a quick stage right now that it is very difficult for us to give the exact number for only 6 months. That's why we want to still hold it and understand the impact and then go ahead with the guidance. So please allow us to come back on that.

Rajesh Jain: Okay. So, you are saying that as of now H2 is difficult?

Moderator: I am sorry sir.

Rajesh Jain: No, I am just summarizing. I am not asking a question. I am just summarizing.

Deepak Thakur: Carry on.

Rajesh Jain: So, you are saying that at this point, it is not possible to estimate whether H2 will be lower or equal or higher than H1? That's what you are saying?

Deepak Thakur: Yes, at this point of time we still anticipate the growth. We are not saying that there will be a reduction. We are still seeing growth, but at the same time what level of impact within two quarters that is very difficult to share right now.

Rajesh Jain: Okay, fine. Sir fine I'll fall back in the queue. I have a few more questions, but I'll come back in the queue. Thank you.

Deepak Thakur: Sure.

Moderator: Thank you. The next question is from the line of Srinivasu K from TIA. Please go ahead.

Srinivasu K: Hi Deepak. Congratulations for the excellent set of numbers.

Deepak Thakur: Hi, Srinivasu. Tell me.

Srinivasu K: So, my question is about this follow up to the previous one like when you say multi-bank intelligence routing, what else is part of your EvoK 3.0? Are you implementing shadow ledger capabilities to eliminate, to connect with the core banking every time? And also, is it the Risk Intelligence Platform that you are talking about? Is it also part of the 3.0?

Deepak Thakur: I think you got it. You answered. So, yes, one of the big challenges in the industry was that with the increasing traffic, it is very difficult to go to core banking for every single transaction. So, what we did was we included mirroring and shadow ledger both in EvoK 3.0. Now every new bank that we go to, we go with the capability of shadow ledger and mirroring as part of EvoK 3.0. So, what happens is for everyone to understand, this is very technical.

Instead of, let's say in 10 hours, peak hour for a particular merchant, there is about 1 lakh transaction hits. Instead of 1 lakh transaction going to core banking, every two hours there will be a batch which will hit one transaction. And there is a shadow ledger created which ensures that all the transactions are reconciled later on. So, there are only 10 hits versus 1 lakh hits. That's the efficiency created in the system and load reduced from bank.



So that's EvoK 3.0. That's the capability built in it and when I say we are in closed user group testing, it is taking time is majorly because this kind of humongous upgrade that we have brought into the system. Second is when I say Risk Intelligence Decisioning Platform, we decided that for 6 months, there will be no cost to it, and we will include this as part of our platform.

Quite interestingly, when we went ahead, we started presenting it to bank, we started getting requests to implement this for their existing systems. So, we believe that this particular piece will also start getting monetized in this financial year.

Srinivasu K: Okay. Thanks for answering that. And my second question is about the FRM that you talked about it earlier. Your competitor has already done this FRM for NPCI central backbone infrastructure. So, I just wanted to know what are you doing in FRM? Is it in edge level or is it in central backbone?

Deepak Thakur: So, we are doing an inbuilt FRM in our system. So FRM is a third-party system. Of course, it cannot be part of your system. So, there will be always a third party playing like an auditor role of FRM, which you have to take it from outside. But here what we did was, that will always happen at the bank level. But we build certain FRM rules in our system to ensure that the risk in the system is reduced even before anyone applying FRM on our platform. So, we are only strengthening the capability of the system from the risk perspective.

Srinivasu K: Understood. Thanks a lot. I'll come back again. Thank you.

Deepak Thakur: Thanks, Srinivasu.

Moderator: Thank you, sir. The next question is from the line of Nikhil Poptani from Kizuna Capital. Please go ahead, sir.

Nikhil Poptani: Yes, sir. Firstly, congratulations on a great set of numbers. Most of the questions have been answered. So, sir, I would just like to, if you could just summarize the revenue model of the company for us. I got the clarity. But if you could just summarize, like, what is our differentiation? What is our competitive advantage? And how we are better than the competition? And who are our competition?

Deepak Thakur: I believe that's a whole presentation, what you've asked. I will try to shorten it down to 2 minutes. One, when it comes to revenue model, like I said, so in fact, this Annual Report, there was one section we have covered exactly in this space. Please pick that, Annual Report. There is a license model where, I have already explained this, where the transaction volume is humongous or the merchant or the business volume is humongous. That is not possible to bring on a SaaS based model.

So, they go on a license-based model. So that's like banks like Canara or Bank of Maharashtra. They are on license-based model. The other model is wherein, if at all, so there is a business case wherein we are providing offline payment platform to a bank wherein the QR is generated, the logistics is taken care, then post-delivery support, operational support is given, then Soundbox are delivered, then the technical support for Soundbox is made available, the mobile



app is given, on-cloud enterprise application is provided. For this entire solution, we get paid every month for every merchant that we deliver this solution as a package.

So, this again becomes a SaaS based model, but subscription. The third one is where we get paid for every transaction processed in the platform. So, these are various types of models that we work on. So, to simplify it, we have license-based model and SaaS based model. Within SaaS based, we have transaction-based model and then we have subscription-based model.

Nikhil Poptani: Yes, sir. Thank you for sharing the insights. And secondly, what is the competitive landscape?

Deepak Thakur: Competitive landscape. So, we have two different models. One is technology partner wherein there are about 10 major players in the industry, maybe 7, 8 or 10 who provide UPI solution to and process more than 95%, 98% of the total volume. So, all these players include NPST, Mindgate, Olive, Sarvatra, InfraSoft. These are the guys.

When it comes to payment platform, honestly, I don't see much there. So, I would not like to name any competitor here because everyone has a very different model. Juspay will be on a very different model or NPST has a different model. So, it differs.

Nikhil Poptani: Yes. Thank you, sir. That's it from my side. And congratulations on great set of numbers and all the best in the future for the digital banking.

Deepak Thakur: Thanks.

Moderator: Thank you, sir. The next question is from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: Yes, one quick question. Because interoperability you mentioned about internet banking and mobile banking, you said it can be as big as UPI. Can you throw more light on it for easier understanding?

Deepak Thakur: Okay. If I said that, that's from the technology perspective. Volume-wise, that is not what I meant. But for a technology company like us, we now get an opportunity to build an interoperability in internet banking. So, if that is the case, and if it turns out well, then for us, the opportunity is around all the 1,000, 2,000 banks in the ecosystem where internet banking exists.

So, the layers can be like top 50 banks where we can target, and then the next 100 banks, and then the next 1,000-odd banks. So, this way we can target. So, what happened was somewhere in 2016 when UPI was launched, we were a very, very small company. We did not have competing ability. We did not have enough funds to take risks. But today, thanks to our focused approach on UPI, not running anywhere beyond UPI, we have been able to scale well.

And such an opportunity for us is a great, is at a very opportunistic time. Because now we are in a position to go and attack this particular market. So that's about internet banking interoperability.

Ashish Soni: And regarding international operations, this competition, I think your competitive intensity will be different. So, have you done mapping in terms of what product can sell as this sort of thing,



or do we need to tweak something of that sort if you can give some throw, some light on that regard, at least for internet?

Deepak Thakur:

So, every time I talk to, investors when it comes to invest, international market, this is what I always mean that, you cannot go plain vanilla, pick the thing as is and go to international market, even though there's a great India story. So, you rightly pointed out the mapping, product type, product sizing, the industry sizing, all of that has to be done. That's why I always request everyone to wait for, a couple of years.

So maybe a year more for you to understand that this entire exercise takes time where we need a local partner where we need these people to, actually take our product and tell us where it can be reshaped. So, we are in that stage already, wherein we have tested in Africa, Middle East, and somewhere, we are also trying to check the Southeast Asian markets.

So, we are in that stage right now, wherein product resizing, or I would say reshaping is something that we are learning. And maybe two quarters, we should be in good position to identify the exact market target that we have.

Ashish Soni:

Thanks, and all the best.

Deepak Thakur:

Thanks.

Moderator:

Ladies and gentlemen, that was the last question for today. As I now hand over the conference over to Ms. Vaishnavi Ambokar from Kirin Advisors for the closing comments.

Vaishnavi Ambokar:

Thank you, everyone, for joining the conference call of NPST Limited. If you have any queries, you can write us at info at @kirinadvisor.com. And once more, thank you to the management team and participants for joining the conference call. Thank you.

Moderator:

On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.